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The 1989 Annual Report
of the
Division of Central Services
Department of Administration



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The Eleventh Annual Report
of the
Division of Central Services

Department of Administration

Fiscal Year 1988-1989 ended June 30, 1989

Jack E. Keene, Director of Central Services

This annual report has been published pursuant to the requirement of Colorado Revised Statute 24-30-1109. All aspects of the design and production of this annual report have been accomplished by the employees of the Division of Central Services

December 1, 1989

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1 Director's Message

Several management changes were made within Central Services. Glenn Fox was appointed manager of the Central Collection Service. Glenn previously managed the Office Copier Management Program and Quick Copy Centers now managed by Paula Steelman. Brad Marks, Program Administrator, left Central Services to go to the Division of Purchasing. Ken Schuller started with the Division in May 1989.

Central Collections moved from the State Services Building to the fifth floor of 225 East 16 Avenue early in December. The Service was audited* by the State Auditor in November to compare overall collection operations with those of private sector collectors. The audit evaluated Central Collections' performance, internal operations, and services to State agencies.

The report of the State Auditor recommended that a test be done in order to compare Central Collections effectiveness with that of collection agencies from the private sector. Central Collections has been preparing data needed to start the testing process in Fiscal Year 1989-1990.

The Motor Vehicle Advisory Council formed by Executive Order D0067-88 will study costs associated with the operation of State-owned vehicles. Recommendations regarding agency participation in one or more of the management programs of Fleet Management are expected.

In June 1988, the Joint Budget Committee requested that Central Services host a tour of the State Print Shop for the benefit of interested members and staff. An outgrowth of that tour was a JBC requested review of six specified government print shops. A formal report is expected in July 1989. Preliminary results are, however, identical to those of previous studies. Without exception high costs resulting from underutilization and overclassification of assigned personnel coupled with equipment deficiencies and

uneven levels of expertise are the norm. To date, no evidence has turned up that weakens Central Services' policy position that centralized management is essential to efficient support service operations.

Work on the Highways study and report** was completed in July 1988, and I returned to Division business from my temporary assignment to the Highways project. Thanks are owed to Brad Marks for his help in managing Central Services during my sporadic absences.

On November 14, 1988, I assumed new duties in the Office of State Planning and Budgeting. I returned to my accustomed role—director of central services—February 22, 1989. During my absence, Bill Archambault of the Department of Administration assumed the responsibilities of my vacated post. Bill did a great job, and I thank him and the Department of Administration for appointing him.

At the request of the office of State Planning and Budgeting, a thorough examination of all Division services was undertaken in May 1989. No economic basis for privatization of any Central Services operations was found. Repeated periodic investigation of such issues as competitive pricing, product and service quality, and customer satisfaction have consistently failed to reveal any economic justification for privatizing Division operations.

This annual report is intended to satisfy the requirements of the Colorado Revised Statute 24-30-1109 and is authorized for that purpose.

Jack E. Keene



Director of Central Services
December 1, 1989

*Report of the State Auditor Central Collection Service Performance Audit; November 1988; Report Control Number 12039.

**A Report from the Governor's Highway Implementation Review Team; August 1988; Office of State Planning and Budgeting.

2 Introduction

The Division of Central Services, a statutory division, transferred by a type 2 transfer to the Department of Administration and originally organized in 1976, maintains its headquarters at 225 East 16 Avenue, Suite 1050, Denver. The Division's primary purpose is to furnish support services to other agencies of the executive branch of State government. Enabling legislation is contained in Colorado Revised Statute 24-30-1101 et seq. Prior to its legislative creation in July of 1977, the Division operated by authority extended through an executive order dated February 17, 1976.

This annual report has been prepared and distributed pursuant to the provisions of Colorado Revised Statute 24-30-1109. This report reflects Division operations during Fiscal Year 1988-1989 and includes, but is not limited to:

- a. Annual profit and loss statements for each Division function.
- b. Annual profit and loss statements for overall Division operations.
- c. Major equipment and personnel inventories.
- d. Scope of present and planned services.
- e. Advice on major problems connected with implementation of the Division's enabling legislation.
- f. An estimate of savings due to Division operations.

3 Mission and Goal

The Division has a two-part mission. Most apparent is the mission to furnish commonly used support services to agencies of the executive branch of State government located in Adams, Arapahoe and Jefferson counties, and the City and County of Denver. Support services currently offered include: offset printing, quick copy services, mail and messenger services, microfilm exposure and duplication,

graphic design, and typographic services. The Division also operates a motor pool, vehicle repair service, and it vends motor fuel. Central Services creates identification credentials, the State of Colorado Telephone Directory and a State government organization chart entitled "Organization of State Government in Colorado." Since the beginning of 1988, Central Services has also managed the Central Collection Service for the Controller and Division of Accounts and Control.

Simply furnishing commonly used support services is not the sole justification for Central Services. Effective management of the service resources of the State of Colorado completes the Division's mission. Central Services is charged by statute to establish central planning, control, and coordination of service activities. The Division has established several management programs; the Office Copier Management Program, the Fleet Management Program and the Service Equipment Request Program.

Division responsibilities include the approval of all service equipment acquisitions and staffing patterns of service functions for State agencies in its four-county service area. Funding is earned by charging user agencies for goods delivered and services rendered. State law requires that all such charges be made at competitive rates. As a revolving fund agency, Central Services receives no appropriated funds of any kind; the Division operates as an enterprise.

To achieve its mission, the Division plans, coordinates, controls and/or furnishes support services through what may be described broadly as two types of programs: consolidated service programs and management programs.

Consolidated service programs are those in which Central Services furnishes a good or service to its customers. Two examples of this type of program are the State Print Shop and the State Motor Pool. In management programs Central Services oversees the purveyance of a service by another supplier. Often the Division's role

is one of contract administration/enforcement. Examples of management programs include the Copier Management Program and the Fleet Management Program.

The goal of the Division of Central Services is to reduce the State's cost for commonly used support services. The means of achieving the Division's goal are always evaluated by a study before any management decision is considered. Alternatives considered are: leaving the existing service structure intact; consolidating the existing service structure with that of the Division or some other service structure; creating a new service structure; and, contracting privately for the needed service.

Additional goals include controlling the proliferation of service equipment and operating personnel or planning rates of equipment proliferation that are consistent with planned growth. The measurement of benefits to Division customers is very straightforward in our consolidated service programs. Benefits are measured in terms of cost, delivery time, and quality of good or service furnished.

In management programs monetary benefits are delivered to the State while such benefits to individual State agencies are less evident. Such benefits can sometimes be gauged in terms of fiscal measurements, but often require assessment in less tangible terms such as:

- a. Fraud prevention and control.
- b. Cost avoidance.
- c. Recirculation of State funds within the government framework.
- d. Avoidance of the cost of doing business within the private sector.
- e. Increased levels of service.
- f. Ancillary savings implied by furnishing a particular service. Intensive document microfilming, for example, implies cost avoidance in the areas of file cabinets, storage facilities, and custodial personnel.

4 Customer Service

The Division of Central Services is dedicated to providing quality service to its customers. Several programs have been implemented to increase the quality of service and customer satisfaction. Quality control programs monitor and control mechanisms within each operating unit of Central Services to regularly verify product and service levels. The Quality Assurance Program determines customer satisfaction through customer surveys, both written and oral.

Once the service has been provided, the Customer Service Program insures that the customer is satisfied by resolving any complaints. The program has been very helpful in improving the quality of our services. While receipt of complaints cannot be the sole measure of performance for the Division, it is important to note that complaints regarding service have been significantly reduced.

Quality Assurance surveys are conducted periodically. A survey was conducted for Mail Services and Quick Copy during this past year and the services were found to be "very satisfactory." An in-depth survey and analysis of the Print Shop and printing in the metro-Denver area was conducted, and recommendations were presented to the Joint Budget Committee to improve the efficiency and effectiveness of printing for State agencies. Numerous interviews were held with client agencies of Central Collections.

The Customer Relations Program trains and motivates employees to satisfy the needs of the customer. An orientation program was instituted for all new Division employees. The program provides training in customer relations and telephone skills. In addition, on-going training is provided for employees of the Division. To motivate employees, the Division of Central Services' Awards of Merit was established five years ago. The awards recognize and reward those employees committed to quality service and excellence in performance.

CUSTOMER SERVICE POLICY

We guarantee that the customer must be completely satisfied with our PRODUCTS, or we will replace them or refund the purchase price.

We guarantee that the customer must be completely satisfied with our SERVICE. If the service you receive does not meet with your satisfaction, notify us, and WE WILL MAKE IT RIGHT.

We will listen. All customers' inquiries will be acknowledged within a maximum of two working days.

We are dedicated to satisfying our customers. Should you have any questions or problems, please contact our Customer Service Representative.

The Division is sensitive to the feedback of its customers. Early in 1983, Central Services established an advisory Customer Panel. The panel represents the consumer's point of view concerning Central Services' policies, procedures and services. Panel members serve as a channel for feedback from State agencies and as a conduit for the dissemination of information to Division customers. Many valuable suggestions have been presented by panel members and our customers. Central Services believes that our customers are a valuable resource for product and service design. The current Customer Panel includes the following representatives from each principal department in the Capitol Complex.

Department of Regulatory Agencies
Linda Suter-Gibson, Diana Darling

Department of Revenue
Donna DeJarnett

Department of Labor & Employment
Doris Eckman

Department of Local Affairs
Diane Mark, Jim Sharp

Department of Education
Bill Bley

Department of Agriculture
Queen Bounds

Department of Higher Education
Cindy Howe

Department of Personnel
Sandy Starczewski

Department of Administration
Jan Heitzman

Department of Social Services
Marge Horn

5 Highlights

Fiscal Year 1988-1989 was marked by a large number of personnel changes already discussed in the Director's Message.

The Printing Review Committee's report to the Joint Budget Committee was completed in July 1989. Further discussion of the findings and recommendations of this report are contained in section 28, entitled "State Print Shop" of this annual report.

In November 1988, a performance audit on the Central Collection Service was completed by the State Auditor. Central Collections moved to its present location, 225 East 16 Avenue, Suite 500, from the State Services Building November 15.

Strenuous efforts were made to sell off the remaining inventory of the now defunct Central Stores. Office supply inventory value at the end of the fiscal year covered by this report was \$42,017. The performance audit of the Division of Purchasing* objectifies the negative fiscal predictions made by Central Services when Stores was discontinued, June 30, 1988, by the General Assembly. We concur with the report's findings.

Documents transferring Central Stores fixtures, equipment, and forms inventory to the Department of Corrections were finalized in May 1989.

Quality Service Program

In January 1989, Forrest Cason, Executive Director of the Department of Administration, officially kicked off the department's Quality Service Program. He held small group meetings with all of the employees in the department. In each meeting he reviewed a new pamphlet, The Department of Administration Quality Economical Service, which had been prepared to convey the goals of Quality Service to the employees and explain about the many services the department offers.

* Report of the State Auditor Division of Purchasing State Procurement System Performance Audit; December, 1989; Report Control Number 12068.

The executive director related the origin of the Quality Service Program. At the last summer, DOA division directors and staff made a commitment to make Quality Service their number one priority. A marketing/innovations task force was formed to launch the program. They helped establish a department-wide mission statement: "The Department of Administration increases the efficiency and cost-effectiveness of state government by providing prompt, high quality services responsive to the needs of state agencies."

Mr. Cason emphasized how important quality service is to the department and other state agencies. Quality Service is not only an integral element of the Department of Administration's mission, but also the quality of that service has an indirect effect upon the service provided to the taxpayer. The department provides administrative support, products, and services which in turn, enables other departments of the state to provide their mandated services to the taxpayer. The Department of Administration provides both cost savings and facilitation functions to state government. As a result of this chain of services, the productivity of the Department of Administration directly affects the efficiency and effectiveness of other departments in providing their services.

Presently, a Quality Service Council is being formed. The function of the Council is to look for innovative ideas and techniques to create a stronger quality awareness among all employees and to discover ways to reward exemplary performers. A representative from each DOA division will serve on the Council.

The Quality Service Council proposes to make quality of service, as perceived by the customer, the driving force for Department of Administration operations.

COFRS

The Colorado Financial Reporting System (COFRS) escalated in activity towards fiscal year end. All units of the Division completed numerous data gathering forms providing information varying from unit

applications to forms utilized. This task emphasized how unique each unit is and the complexity involved in accomplishing daily operations. Hopefully, COFRS will help us streamline many of our tasks with an accompanying improvement in our provided services.

6 Selected Financial Data

For fiscal year ended June 30, 1989

Sales	\$11,631,480
Net sales*	\$7,197,804
Profit (loss) on operations	\$96,125
Profit as a percentage of Sales	.83%
Personal services as a percentage of Sales	23.80%
Total assets	\$5,989,518
Interest expense	\$375,710
Debt ratio as a percentage of Total assets**	66.30%
Return on Total assets**	1.20%

* Sales less cost of goods sold.

** Cash due Department of Treasury (see Consolidated Balance Sheet) divided by Total assets.

*** Net income divided by Total assets.

7 Discontinued Operations

No Division operations were discontinued during the period of this annual report.

8 Research and Development Costs

Research and development costs, principally for management studies conducted in-house or with contracted

specialists, are recorded as expenses when incurred. They are recognized as administrative expenses to the Division. R & D expense burdens are therefore spread throughout all revenue producing operations. As a result, individual customers bear an insignificant share of the Division's research and development costs. Product/service prices to users are maintained at the lowest possible level.

Mail Services Section,

1525 Sherman Street, Room 15, Denver. This section also operates the **Incoming Revenue Mail Room**, 1375 Sherman Street, Room 148, Denver.

State Print Shop,

1525 Sherman Street, Rooms 27 and 28, Denver.

Office Copier Management Program,

225 East 16 Avenue, Suite 1050, Denver.

Quick Copy Centers:

1. 1313 Sherman Street, Room 1-B19, Denver.
2. 3520 Oxford Avenue, Room B6, Denver.
3. 1525 Sherman Street, Room 21, Denver.
4. 251 East 12 Avenue, Room 201, Denver.
5. 1575 Sherman Street, Room G26, Denver.

State Motor Pool,

1555 Sherman Street, Denver.

Design Center,

1525 Sherman Street, Room 590, Denver.

State Microform Services,

1001 East 62 Avenue, Denver.

Fleet Management Program,

1001 East 62 Avenue, Denver.

State Garage,

1001 East 62 Avenue, Denver.

Central Collection Service,

225 East 16 Avenue, Suite 550, Denver.

9 Operating Names and Locations

Central Services' operating units perform services under the following name and title designations at the locations specified.

Other instrumentalities and activities of the Division are: the State of Colorado Telephone Directory, "Organization of State Government in Colorado" chart, State of Colorado Diners Club Corporate Card System and the issuance of State of Colorado identification credentials. All of these activities operate out of Division headquarters located at 225 East 16 Avenue, Suite 1050, Denver.

10 Raw Materials

The Division purchases its raw materials on the open market from Colorado manufacturers and distributors when such materials are available from sources within the State of Colorado. All purchases are made under the direction of the Division of Purchasing in conformance to the Procurement Code. No internal purchasing functions are maintained nor have they been authorized by the Division of Purchasing.

During the term of this report, \$39,403 was spent on goods and services purchased from the Division of Correctional Industries. This compares with \$131,273 spent with Corrections for the purchase of similar goods and services in Fiscal Year 1987-1988. The sharp decline in Central Services' purchases from Correctional Industries is a result of the discontinuance of Central Stores' operations by the General Assembly at the close of Fiscal Year 1987-1988. No increase in the use of Correctional Industries as a supplier is anticipated.

11 Regulation and Oversight, Legislative Remedy

Central Services operates under the authority of Colorado Revised Statute 24-30-1101 et seq. During the term of this report, no legislation that would impact its enabling legislation was proposed by the Division. Similarly, no new legislation impacting the Division's enabling statute was enacted by the Fifty-Seventh General Assembly.

The Division agreed to the burden of additional oversight when it accepted the management responsibility for Central Collection Service in February 1988. Debt collection authority is statutorily imposed on the Division of Accounts and Control and the Controller under Colorado Revised Statute 24-30-202.4. Because of the limitations placed on reorganizations of executive authority by Colorado Revised Statute 24-1-107, the Controller's debt collection authority acts so as to impose additional oversight on Division operations. In November 1988, a performance audit of Central Collection Service was completed by the State Auditor*. The report's major recommendation is to evaluate CCS collection effectiveness by comparing its operations to those of private sector collectors. Evaluation is to be completed "next year." Results will be published in the Division's annual report for Fiscal Year 1989-1990. No proposals for the transfer of debt collection authority to the Division of Central Services were advanced during the span of this report.

Senate Bill 254, the Fiscal Year 1989-1990 Long Bill, was enacted during the period of this report without noteworthy language pertaining to the Division's operations or structure. In addition, no new audits were required nor were any executive orders pertaining to the Division issued during the period of this report.

* Report of the State Auditor, Central Collection Service Performance Audit; November 1988; Report Control Number 12039.

In June 1988, members and staff of the Joint Budget Committee of the General Assembly toured the State Print Shop. Soon thereafter, the Department of Administration was asked by the JBC to conduct a survey of several state government printing operations. This survey was assigned Central Services by the Department. In June 1989, Printing Review Committee's Report to the Joint Budget Committee; July 1989; Department of Administration, Division of Central Services, was submitted to the Joint Budget Committee. The executive summary of the report is reproduced in its entirety in the appendix of this annual report. The report continues to be under study by the JBC; formal acceptance of the report is anticipated.

Colorado Revised Statute 24-30-1109(1)(e) requires that this annual report include recommendations for legislative remedy of major problems connected with the implementation of Central Services' enabling legislation. No recommendations are made.

12 Employees

Central Services closed Fiscal Year 1988-1989 operations with 117 full-time Equivalent (FTE) employees on board, as of June 30, 1989. This figure includes all personnel assignments to Central Collection Service. Minority status is claimed by 52 employees, or 44 percent, of that number; 59 employees are female and 58 male. The median age is 36 years, and the average amount of time in the Division's employ (not State service) is 7.3 years. A listing of all employees as of the last day of the fiscal year and their job skill classifications is included in the appendix of this report.

Pursuant to Executive Order D0043 87 (August 1987), the "Department of Administration Affirmative Action Plan 1988/89"; publication date unspecified,

revealed the following underutilizations of minority workers.

Printing trades	1 black
Automotive maintenance	2 Hispanics
Vehicle driver	1 female

No appropriate vacancies occurred during the period of this annual report. The Division's condition of underutilization did not change, therefore. It should be noted that 44 percent of Division employees claim minority status. This figure far exceeds the demographic distribution of minorities in the State's total population.

Part II of the affirmative action plan, "Department of Administration Affirmative Action Policy for the Disabled," was promulgated May 17, 1988. One developmentally disabled worker was

NOTES TO FINANCIAL STATEMENTS

13 Summary of Significant Accounting Policies

The accounting policies of the Division conform to generally accepted accounting principles as applicable to governmental agencies. In order to insure observance of limitations and restrictions placed on the use of fiscal resources, accounts are maintained by the Department of Administration in accordance with the principles of "fund accounting." Resources intended for various purposes are classified, for accounting and reporting purposes, into funds that operate in accordance with specified activities or objectives. The accrual basis of accounting is followed. The financial statements furnished in this annual report are those created pursuant to Fiscal Rules, chapter 5, section 3.22.

REVENUE PER FULL-TIME EQUIVALENT EMPLOYEE

Fiscal Year Ending June 30	FTE	% Increase (Decrease)	Income From Operations*	% Increase (Decrease)	Revenue per FTE	% Increase (Decrease)
1985	93.9	.9	\$8,397,147	4.2	\$89,426	3.2
1986	110.0	17.1	\$10,350,931	23.3	\$94,099	5.2
1987	109.7	(0.3)	\$11,643,031	11.1	\$106,135	12.8
1988	124.0	13.0	\$13,181,997	13.2	\$106,306	0.2
1989	117.0	(5.9)	\$11,631,480	(13.3)	\$99,414	(6.9)

*"Income From Operations" reflects total income for fiscal year. "Other income" is omitted from this figure.

hired by State Microform Services in Fiscal Year 1988-1989.

Division employees contributed \$3,144 to the Mile High United Way Campaign. Although these figures represent a significant decline from 1987 contributions of \$5,780, 1987 contributions were 30 percent greater than 1986 contributions.

Central Services receives cash-funded appropriations from the General Assembly. No actual funds are appropriated to the Division, however. What is appropriated is an authorization to spend a portion of the revenues, when and if earned, generated by the sale of Division Services to other government agencies. Cash funds are appropriated as "augmenting revenues." Actual revenues are recorded as they are earned. Central Services is a statutory revolving fund (Colorado Revised Statute 24-30-1108) which operates within the confines of the revenue it generates. Users of Division

services are charged the full cost of all materials, labor and overhead attributable to the service used in accordance with Colorado Revised Statute 24-30-1108(2). Prices charged by all of the Division's service operations are competitive with those of private industry as required by Colorado Revised Statute 24-30-1108(3).

The funding structure of Central Collection Service is described in Colorado Revised Statute 24-30-202.4(3)(d) and (e). Like the balance of Central Services, Central Collections operates within the confines of the revenue it generates. Its funding structure is in no significant way dissimilar to that of Central Services. This similarity of fiscal structures was among the reasons for the transfer of CCS' management to Central Services.

14 Revenue Recognition

In government accounting, expenses and revenues are matched to the period in which earned or incurred. All revenue for services performed for goods delivered before the close of the fiscal year is recognized in the reporting for that fiscal year. Revenue is recognized whether or not it is collected and whether or not its collection date falls within the fiscal year in which it is earned. Collection costs are not a consideration, except when collections are performed for Central Services by the Central Collection Service.

15 Indirect Costs

Indirect Costs are the Division's contribution to the cost of operating the Department of Administration, the Division's parent organization. Assessments are made by the Joint Budget Committee of the General Assembly on a pro rata liability basis determined by the number of employees in each revolving (cash) fund agency. General Fund agencies are not similarly assessed.

Central Services assessment for the period of this report was \$212,897. This expense is reported with other expenses under the heading "Operating expense" in the "Annual Profit and Loss Statement For Overall Division Operations."

16 Accrued Liabilities

Compensated absences for the period of this report amount to \$53,833. "Compensated absences" is an accounting recognition of the costs associated with accumulated annual leave and sick leave. Such leave has been earned by employees during the period of this report but has not been used during the period of this report. The lingering fiscal liability for this unused employee benefit is recorded as an estimate calculated, as specified by the State Controller, to anticipated the likelihood of its use in the coming fiscal year..

17 Depreciation

General fixed assets are recorded as assets at the time of acquisition. Depreciation is then computed and recorded as current expense. Assets are carried at actual cost and depreciated on a straight line basis over the useful life spans prescribed in guidelines promulgated by the Internal Revenue Service of the Government of the United States.

During the period of this report, Central Services experimented with an accelerated depreciation plan. The plan was adopted exclusively for vehicles in the State Fleet Management Program when it was noticed that in many instances actual use exceeded depreciable use. The plan led to cost fluctuations that could not be easily accommodated by our customers' budgets. It was therefore abandoned by the close of the fiscal year and Central Services returned to the use of straight-line depreciation schedules.

Central Services leases certain of its equipment and real property. Leased equipment is routinely reported in Division inventories including the equipment inventory that appears in this annual report. It is so reported because it is believed that the purpose of the equipment inventory is to fully portray the Division's production capacity. The majority of the Division's contracts are classified as lease-purchase contracts (time-payment contracts). All pieces of equipment thus acquired are appropriately annotated in the Division's depreciation accounts.

18 Consumable Inventories

Central Services' inventories of consumable supplies (raw materials) are a computerized function of the Central Accounting System operated by the General Government Computer Center. This inventory chart reflects physical inventories for all operating units as of the close of the fiscal year. Central Collection Service possessed an unrecovered debt inventory estimated at \$60,000,000 on June 30. All adjustments to the computer inventory required by the physical count were the result of clerical and accounting

Central Stores' inventory reflects remaindered office supplies not yet liquidated. Additional discussion is located in section 4, Highlights.

19 Rentals

Rental expenses for all Division operations amounted to \$581,680. This includes land, buildings, equipment and fixtures. \$64,500 was spent on real estate rentals. This figure is about \$56,013 lower than that of the previous fiscal year. \$517,180 was consumed in equipment rentals of which office copier rentals are the largest part.

20 Service Equipment Request Program

Under provisions of Colorado Revised Statutes 24-30-1105(1)(a),(b),(e),(f) and 24-30-1107, the Division of Central Services is responsible for reviewing and approving requests by other executive branch agencies for service equipment. Such equipment is related to the Division's service mission. The Service Equipment Request Program discharges this responsibility. Specific approval requirements are contained in Fiscal Rules, chapter 3, section 1.35.09.

During Fiscal Year 1988-1989, the Division received 69 SERs, of which 60 were approved. The approval process takes into account cost effectiveness and efficiencies required by statute. Disapproved and modified requests resulted in an estimated dollar savings to the State of \$10,174 for the year and a recurring savings of \$6,400. The "Annual Savings" chart reflects the history of this program and shows annual savings and recurring savings due to the SER program along with savings from other Division operating units and programs.

CLOSING INVENTORY BALANCES

for year ending June 30, 1989

Operating Unit	Inventory
Central Stores	\$42,017
Fleet Management	\$10,374
State Print Shop	\$75,867
Office Copier Management Program	\$21,576
Quick Copy Centers	\$21,425
State Microfilm Services	\$ 9,240
Mail Services Section	\$69,598
TOTAL	\$250,097

Recurring savings are reported only in the year first achieved. They are not accumulated in subsequent annual reports.

21 Liquidity and Capital Resources

The Division's working capital requirements are met out of earned revenues and by short-term loans. The Department of Treasury makes interest bearing loans to the Division under provisions of Colorado Revised Statute 24-75-203(1).

The need for loans is created by business cycles aggravated by the lack of appropriate capitalization when Central Services was formed.

The advent of the Fleet Management Program meant extreme cash demands that were met by new levels of

Central Collection Service operations impose no short-term debt liability on Central Services because Colorado Revised Statute 24-30-202.4(3)(d) and (e) creates the "Debt Collection Fund." This fund operates to offset revenue shortfalls resulting from debt recovery operations. Short-term loans are thereby unnecessary.

22 Commitments and Contingencies

One current obligation was created during the term of this annual report: Contract, J.W. Smith expiring August 27, 1988, base \$3,300.

Lease expiring November 30, 1993, at a current maximum annual rental of \$29,763 for the year ending June 30, 1989, and an increase, not to exceed five percent of the annual rental, based on increased building operating costs, if any.

Lease expiring May 5, 1989, at a current minimum rental of \$6,000 for the term ending May 5, 1989, and a \$0 increase.*

Lease expiring May 1, 1990, at a current minimum annual rental of \$38,727 for the year ending June 30, 1989, and an increase, not to exceed five percent of the annual rental, based on increased building operating costs, if any.

Minimum annual base lease commitments including office space on the fifth and tenth floors, 225 East 16 Avenue, Denver, and suite 1500, 1625 Broadway, Denver, aggregate for the fiscal year ending June 30, 1989, \$74,490.

INTEREST EXPENSE

For Year Ended June 30	Fleet Management Program	All Other Operations	Total	Increase (Decrease) From Prior Year
1985		\$74,814	\$74,814	\$27,618
1986		154,607	154,607	79,793
1987		312,083	312,083	157,476
1988	\$340,181	88,846	429,027	116,944
1989	\$282,667	93,043	375,710	(57,317)

indebtedness. Fleet has, for some years, had a separate credit line that supplied the high capital needs associated with automobile acquisition. The debt service on that loan is reported here separately. The chart that follows reflects only the cost of debt service on each of the Division's two lines of credit. The cost of debt service is reflected in the rates charged Division customers. Debt ratio expressed as a percentage of total assets equals 66.3 percent in the year of this report.

*The term of this lease was April 14 through May 5. This short-term rental was used by Mail Services Section for the purposes of processing Department of Revenue incoming mail.

ANNUAL PROFIT AND LOSS STATEMENT FOR OVERALL DIVISION OPERATIONS

for year ended June 30, (unaudited)

	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>
Revenues:					
Goods & services charges ¹	\$11,631,480	\$13,181,997	\$11,643,031	\$10,350,931	\$8,411,609
Expenses:					
Personal services	\$2,888,960	3,134,777	\$3,026,762	\$2,807,051	\$2,376,100
Cost of goods sold	4,433,676	4,467,590	4,177,196	4,787,151	4,243,280
Operating expense ²	2,571,162	3,674,439	3,091,491	2,009,501	1,511,463
Depreciation expense	1,641,557	1,808,937	1,305,883	470,911	179,624
Travel expense			12,053	4,226	7,388
TOTAL EXPENSES	11,535,355	13,085,743	11,613,385	10,078,840	8,317,855
Profit (loss)	\$ 96,125	\$ 96,254	\$ 29,646	\$ 272,091	\$ 93,754
Profit (loss) as a % of					
Goods & services charges	0.82%	0.73%	0.25%	2.63%	1.11%
Personal services as a % of					
Goods & services charges	24.8%	23.8%	25.9%	27.1%	28.3%

¹ Eliminates intersectional sales (at cost).

² Includes indirect costs.

STATEMENT OF OPERATIONS

for year ended June 30, 1989, (unaudited)

REVENUES

Charges for goods and services	\$11,631,480
Less sales returns	—
Net sales	<u>11,631,480</u>
Other income	—
	<u>\$11,631,480</u>

EXPENDITURES

Cost of goods sold	\$ 4,433,676
Depreciation	1,641,557
Other selling, general and administrative expenses	5,460,122
	<u>11,535,355</u>
NET (loss)	<u>\$ 96,125</u>

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION

for year ended June 30, 1989, (unaudited)

SOURCES OF WORKING CAPITAL

Operations:

Net income (Loss) \$ 96,125

Items not requiring working capital:

Depreciation \$1,641,557

prior year adjustment \$ 341,412

TOTAL SOURCES OF WORKING CAPITAL \$2,079,094

USES OF WORKING CAPITAL

Acquisitions of equipment \$ 406,073

TOTAL USES OF WORKING CAPITAL \$ 406,073

NET INCREASE (DECREASE) IN WORKING CAPITAL \$1,673,021

ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL

Cash \$2,058,727

Accounts receivable \$ (104,378)

Inventory \$ (467,483)

Prepaid expenses \$ (1,800)

Accounts payable \$ 129,826

Deferred revenue \$ 41,681

Lease/purchase obligations \$ 69,758

Accrued salaries payable \$ 523

Compensated absences \$ (53,833)

NET INCREASE (DECREASE) IN WORKING CAPITAL \$1,673,021

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

for year ended June 30, 1989 (unaudited)

OPERATING REVENUE

Charges for goods and services	\$11,631,480
--------------------------------	--------------

TOTAL OPERATING REVENUES	\$11,631,480
---------------------------------	---------------------

OPERATING EXPENSES

Personal services	\$ 2,888,960
Operating expense	\$ 8,074,857
Utilities	\$ 33,407
Special purpose	\$ 535,131

TOTAL OPERATING EXPENSES	\$11,535,355
---------------------------------	---------------------

TOTAL REVENUES OVER (UNDER) EXPENSES	\$ 96,125
---	------------------

Retained earnings-July 1, 1988	\$ 1,392,965
Contributed capital-July 1, 1988	\$ 947

Retained earnings-July 1, 1989	\$ 1,489,090
Contributed capital-July 1, 1989	\$ 947

PROPERTY, PLANT, AND EQUIPMENT

for year ended June 30, 1989, (unaudited)

	Beginning Balance	Ending Balance
Office and plant equipment	\$ 1,815,739	\$ 1,806,470
Automobiles	8,962,406	9,456,804
Leasehold improvements	156,820	156,820
Software development	213,039	33,983
TOTAL	\$11,148,004	\$11,554,077

ACCUMULATED DEPRECIATION, DEPLETION AND AMORTIZATION OF PROPERTY PLANT AND EQUIPMENT

for year ended June 30, 1989, (unaudited)

	Beginning Balance	Ending Balance
Office and plant equipment	\$ 736,301	\$ 904,591
Automobiles	3,070,768	4,835,371
Leasehold improvements	61,171	93,474
Software development	72,924	90,697
TOTAL	\$3,941,164	\$5,924,133

CONSOLIDATED BALANCE SHEET

as of June 30, (unaudited)

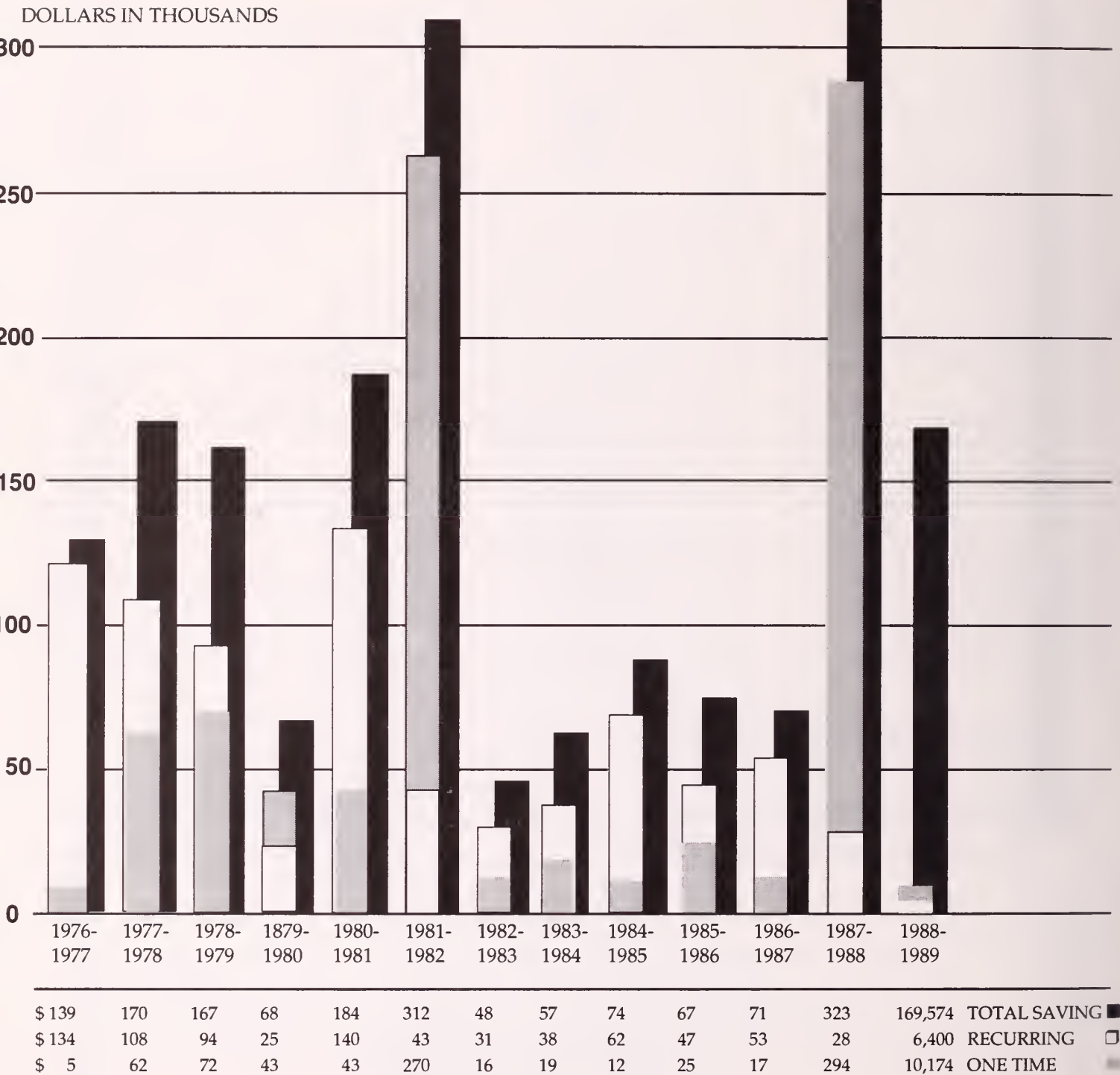
	1989	1988	1987
Assets			
Cash on hand	\$ 300	\$ 350	\$ 350
Accounts receivable	102,438	206,816	144,150
Inventories	250,096	717,578	689,095
Prepaid expenses	6,740	8,541	9,101
Equipment	11,554,077	10,991,184	\$10,294,173
Less accumulated depreciation	(5,924,133)	(3,879,994)	(2,042,056)
Depreciated equipment value	5,629,944	7,111,190	8,252,117
Leasehold improvements (Net)		95,649	59,242
Total Assets	\$5,989,518	\$ 8,140,124	\$ 9,154,055
Liabilities			
Cash due Department of Treasury	\$ 3,97,131	\$ 6,030,096	\$ 6,606,092
Accounts payable ¹	475,244	574,826	756,730
Accrued payroll ²	143,443	90,133	126,873
Deferred revenues	9,476	51,157	66,698
Subtotal - Liabilities	\$4,499,481	\$ 6,746,212	\$ 7,856,662
Fund Balance	1,490,037	1,393,912	1,297,662
Total Liabilities and Fund Balance	\$5,989,518	\$8,140,124	\$ 9,154,055

¹ Includes multiyear lease purchase agreements in the amount of \$75,129.

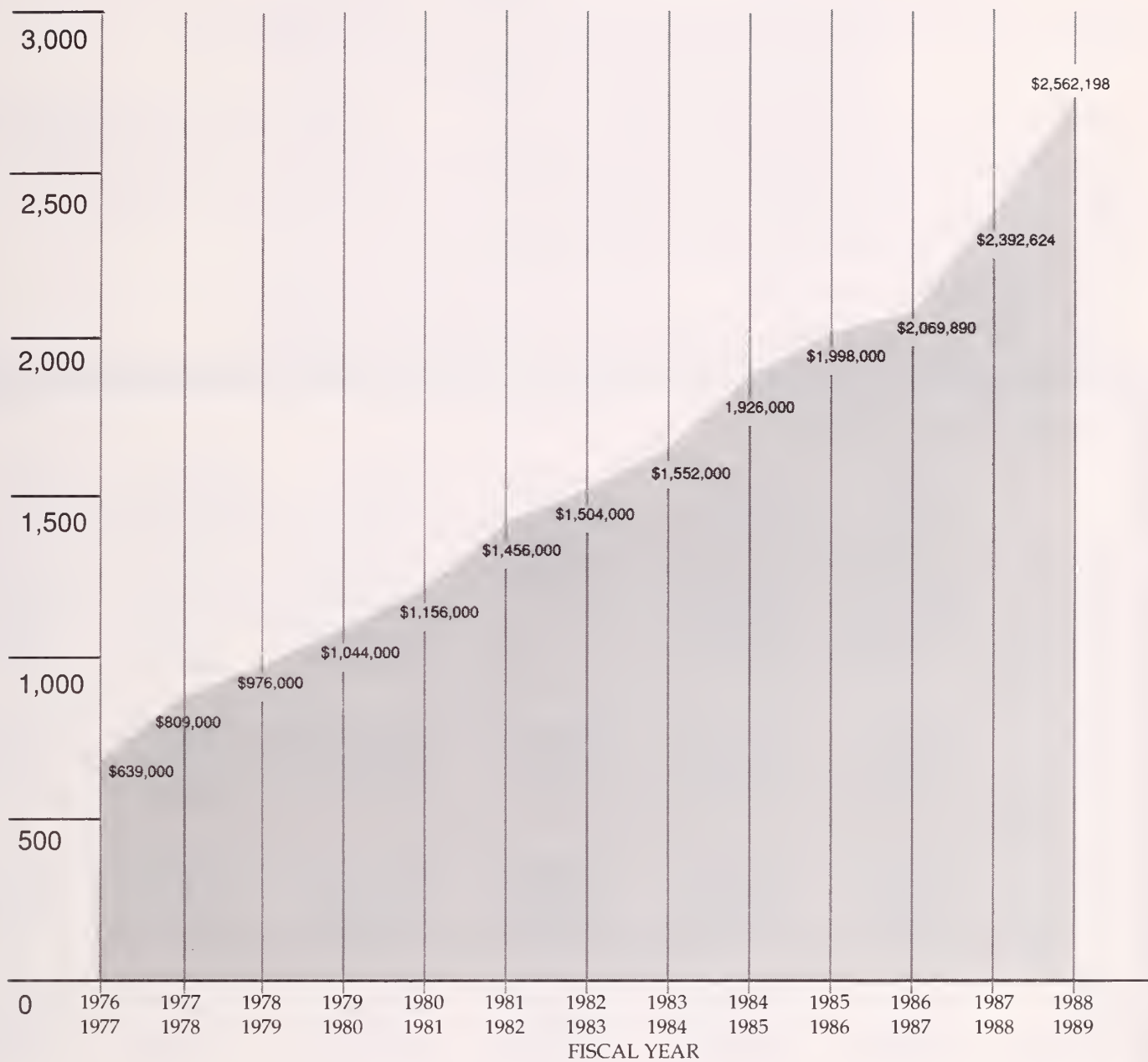
² Includes compensated absences liability in the amount of \$53,833.

The Annual Savings and Cumulative Cost Savings Charts are included in this annual report to satisfy the requirements of Colorado Revised Statute 24-30-1109(f) for "An estimate of prior calendar year and cumulative savings due to operations of the division."

Calendar Year Savings



Cumulative Savings



UNIT OPERATIONS

23 Notes to Unit Operations

Each of Central Services' operating units has its own accounting structure independent of that of other operating units. All work is charged to customers at established rates. All purchases of goods and services between Central Services' operating units are made at undiscounted rates. This includes the full cost of all materials, labor and overhead for all services. Each of the operating units is listed in this part of the annual report in

order of the size of its contribution to Central Services' gross income during the period of this report, largest contributor first.

Price comparisons are included with discussion of most unit operations to demonstrate Central Services' compliance with Colorado Revised Statute 24-30-1108(3) which states:

"The director of central services shall have a pricing policy of remaining competitive with or at a lower rate than private industry in the operation of any service function which he establishes."

ANNUAL PROFIT AND LOSS STATEMENT FOR EACH SERVICE FUNCTION

for year ended June 30, (unaudited)

	Mail Services Section	Fleet Management Program	Central Stores*	State Print Shop	Office Copier Management Program	Quick Copy Centers
1988-89						
Income	\$4,018,354	\$3,910,009		\$1,176,492	\$1,051,388	\$731,729
Expense	4,017,608	3,748,909		1,266,128	982,515	633,528
Profit (Loss)	746	161,100		(89,636)	68,873	98,201
1987-88						
Income	\$3,613,295	\$3,939,234	\$2,261,463	\$1,213,754	\$ 848,628	\$645,781
Expense	3,586,574	3,884,895	2,177,609	1,234,864	927,683	556,247
Profit (Loss)	\$ 26,721	\$ 54,339	\$ 83,854	\$ (21,110)	\$ (79,055)	\$ 89,534
1986-87						
Income	\$3,413,488	\$2,830,940	\$2,047,700	\$1,234,921	\$ 883,400	\$566,476
Expense	3,350,853	2,863,512	2,063,249	1,190,259	860,877	540,952
Profit (Loss)	\$ 62,635	\$ (32,572)	\$ (15,549)	\$ 44,662	\$ 22,523	\$ 25,524
1985-86						
Income	\$3,311,063	\$1,389,632	\$2,339,157	\$1,213,017	\$ 964,257	\$514,359
Expense	3,217,464	1,340,671	2,275,674	1,143,615	964,783	437,430
Profit (Loss)	\$ 93,599	\$ 48,961	\$ 63,482	\$ 69,402	\$ (526)	\$ 76,929
1984-85						
Income	\$3,129,457	\$ 423,834	\$2,002,770	\$1,037,589	\$ 875,834	\$468,812
Expense	3,054,023	501,427	2,001,609	1,018,628	837,589	429,771
Profit (Loss)	\$ 75,434	\$ (77,593)	\$ 1,161	\$ 18,961	\$ 38,245	\$ 39,041

*Central Stores ceased operations June 30, 1989, in response to House Bill 1356 (Second Regular Session, Fifty-Sixth General Assembly) which failed to make spending authority available for Fiscal Year 1988-1989 operations.

24 Fleet Management Program

Principal operating location:
1001 East 62 Avenue, Denver
(North Campus)
Manager: Paul Jensen
Telephone number: 287-6741
FAX: (303) 289-7421

In all of the financial statements furnished in this report, the "Fleet Management Program" heading includes all of the Division's operations relating to its management of motor vehicle and related resources. This includes Fleet Management Program, State Garage, State Motor Pool, and Gasoline Vending cost centers.

The Fleet Management Program leases passenger vehicles on a long-term basis to State agencies in lieu of the agencies purchasing vehicles themselves. Fleet also operates a vehicle maintenance program and a comprehensive and collision protection insurance program. A centralized computer inventory file on all State-owned vehicles is also maintained by the Fleet Management Program.

During the period of this report, the number of vehicles under Fleet Management control increased from 1,376 to 1,558 by year end. Although no vehicle purchases were appropriated for Fiscal Year 1987-1988, 121 vehicles were added to comprehensive and collision plan, and 32 additional were unassigned or awaiting auction.

Design Center	State Microform Services	North Campus	Travel Management Program	Miscellaneous Services
\$306,533	\$279,274	\$107,478		\$5,703
308,437	268,120	122,561		2,215
(1,904)	11,154	(15,083)		\$3,488
\$301,430	\$263,633	\$ 86,677		\$8,100
300,275	253,968	124,131		39,493
\$ 1,155	\$ 9,665	\$ (37,454)		\$ (31,393)
\$306,757	\$241,714	\$ 79,129	\$ 32,046	\$ 8,112
304,012	230,661	121,019	52,292	\$ 38,351
\$ 2,745	\$ 11,053	\$ (41,890)	\$ (20,246)	\$ (30,239)
\$354,473	\$183,881	\$ 61,395	\$ 2,973	\$ 16,724
337,543	190,312	67,150	64,727	\$ 39,471
\$ 16,930	\$ (6,431)	\$ (5,755)	\$ (61,754)	\$ (22,747)
\$348,143	\$108,708		\$ -0-	\$ 16,460
338,328	107,532		(1,561)	\$ 27,384
\$ 9,815	\$ 1,176		\$ (1,561)	\$ (10,924)

Fleet's Vehicle Maintenance Program is operated with the help of General Electric Capital Services (formerly Gelco Fleet Management Services) under the terms of a contract that will expire July 1, 1989. It is a method of controlling vehicle maintenance costs by: (a) requiring prior authorization of maintenance services; and (b) establishing a comprehensive network of vehicle maintenance shops that operate under the favorable terms of previously negotiated service agreements. All maintenance, with the exception of glass

FLEET MANAGEMENT PRICE COMPARISONS

Lease prices per month for a 5-year term

VEHICLE TYPES (1989 model year)	LMV Leasing	Glesby Marks Leasing	Griffith Leasing	Central Services
Small station wagon	\$198	\$200	\$250	\$155
15-passenger van	\$377	\$432	\$425	\$325
Mid-size sedan	\$254	\$212	\$250	\$169

SUMMARY OF FLEET MANAGEMENT EXPENSES

Fiscal Year

	1988-1989	1987-1988	1986-1987
Personal services	\$ 255,600	\$ 243,059	\$ 192,450
Operating (fuel, maintenance, and travel not included)	\$ 673,603	607,744	460,207
Operating (fuel)	\$ 551,824	560,598	355,634
Operating (maintenance)	\$ 500,516	273,333	208,955
Licensing		1,128	
Travel	\$ 681	272	3,206
Overhead	\$ 143,243	114,790	109,871
Depreciation	\$1,425,983	1,628,175	1,132,198
TOTAL EXPENSES	\$3,551,450	\$3,429,099	\$2,462,521

and tire replacement, is handled under the terms of the GE contract. Service criteria and cost standards are selected by Fleet Management for incorporation into the program. Requested maintenance procedures that violate these criteria are not authorized. The opportunity to enroll in a comprehensive and collision protection insurance plan for vehicles not in the Fleet Management Program was extended to State agencies in April. State-owned passenger vehicles, vans, and light trucks up to and including those with a three-quarter-ton rating may be enrolled. This coverage is in addition to the liability protection provided by the Division of Risk Management. The cost of coverage is \$.01 per mile driven per vehicle, \$.008 for Fleet vehicles. At year end 175 vehicles were enrolled in addition to Fleet's 1,383 vehicle enrollment.

The fuel and maintenance costs of Fleet vehicles stabilized during the term of this report and a four percent decrease from Fiscal Year 1986-1987 costs occurred. We anticipate that these costs will increase in the coming year due to the lack of funds to replace vehicles that will exceed the approved replacement criteria. Aging vehicles become more and more expensive to operate and maintain. Decreases in fuel and maintenance costs were the primary contributors to the reduction in Fleet operating costs from \$.2315. This cost is expected to increase in the foreseeable future due to the nonavailability of vehicle replacement appropriations. The average age of Fleet vehicles is four years. The age range, however, is 0 to 36 years.

The Fleet Management Program received no appropriation for vehicle replacements in Fiscal Year 1988-1989. As a result, 378 vehicles are still in use that should have been replaced because of mileage over 70,000 miles. The total estimated cost to replace these vehicles with model year 1989 vehicles is \$4,281,228. Short-term savings in capital expenditures are largely illusory. Maintenance and operating costs escalate as vehicles are retained beyond their optimum replacement age.

**KEY PERFORMANCE STATISTICS FOR VEHICLES
IN THE FLEET MANAGEMENT MAINTENANCE PROGRAM**

	Fiscal Year		
	1988-1989	1987-1988	1986-1987
Number of vehicles	\$ 1,239*	1,283	1,041
Miles driven	15,339,917	15,536,259	12,327,624
Annualized miles per vehicle	12,381	12,109	11,842
Fuel cost per mile	\$ 0.0360	\$.0361	\$.0288
Maintenance cost per	\$ 0.0326	\$.0176	\$.0169
Total cost per mile	\$ 0.2315	\$.2207	\$.1998

For comparison purposes, the following data is quoted from the American Automobile Association/Runzheimer Study of a 1989 model year car:

Average fuel cost per mile:	\$0.053
Average maintenance cost per mile:	\$0.019
Average total cost per mile:	\$0.306 (includes no overhead costs)

(Please note that SFM costs are for cars, vans, and trucks for which the average vehicle is from the 1984 model year with an odometer reading of 52,400 miles. Older vehicles result in higher per mile costs for maintenance.)

* Excludes vehicles assigned to Department of Institutions and all vehicles enrolled in SFM Comprehensive and Collision Protection Plan.

ACCIDENT SUMMARY, FLEET MANAGEMENT VEHICLES

	Fiscal Year		
	1988-1989	1987-1988	1986-1987
Number of accidents	133	159	172
Fault—State	92	125	107
Others	41	34	65
Total repair cost to State vehicles	\$93,890		
Less insurance recoveries	\$23,375		
Actual repair cost to State vehicle	\$70,515	\$72,607	\$25,273
Average cost (State at fault)	\$ 766	\$ 457	\$ 147
Vehicles damaged as a % of total	8.5%	12.4%	16.5%
Frequency rate (accidents per million miles)	7.4		

**AGENCY PARTICIPATION IN SFM
as of June 30, 1989**

Department	Vehicles Leased From SFM	Vehicles Enrolled in the SFM Maintenance Program
Administration	81	0
Agriculture	47	0
Corrections	109	19
Education	9	7
Health	51	41
Higher Education	128	11
Institutions	144	0
Labor and Empl.	32	44
Law	10	0
Local Affairs	16	0
Natural Resources	170	27
Public Safety	22	27
Military Affairs	10	7
Regulatory Agencies	59	3
Revenue	137	38
Social Services	38	17
Office of the Governor	3	0
State Comp. Insurance Authority	21	0

SUB TOTAL	1,087	+	241	=1,328
Seasonal and presently unassigned vehicles				55
Vehicles in SFM Comp. & Collision Protection Plan				175
TOTAL				1,558

FLEET MANAGEMENT
ACCIDENT INSURANCE FUND (27001) STATUS

Month	Number of Accidents	Accident Costs	Comp. Claims (Glass)	Total Costs	Deductables and		27001 Balance	Miles Driven	Cost Per Mile	Income Net Per Mile
					Insurance Recoveries	Premiums Collected				
July	15	\$	\$	\$ 0.00		14,048.64	\$14,048.64	\$1,530,000	\$0.0000	\$0.0092
August	9	3,835.55	1,435.03	5,270.58	1,648.60	14,728.74	25,155.40	1,472,874	0.0036	0.0075
September	11	1,808.28	690.67	2,498.95	5,872.69	13,270.83	41,799.97	1,658,854	0.0015	0.0100
October	9	14,887.17	2,609.33	17,496.50	5,133.86	9,476.45	38,913.45	1,664,510	0.0105	(0.0017)
November	11	7,470.08	1,233.89	8,703.97	2,264.00	12,921.43	45,394.91	1,567,361	0.0056	0.0041
December	16	8,116.52	2,021.63	10,138.15	4,604.25	12,128.98	51,989.99	1,465,576	0.0069	0.0045
January	12	11,889.98	3,110.17	15,000.15	2,520.00	11,275.32	50,785.16	1,356,466	0.0111	(0.0009)
February	12	12,874.06	2,145.93	10,019.99	1,563.99	11,300.23	53,629.39	1,352,981	0.0074	0.0021
March	12	15,629.86	3,323.19	18,953.05	11,373.13	10,391.21	56,440.68	1,261,946	0.0150	0.0022
April	9	6,712.04	3,903.51	10,615.55	2,482.88	11,603.82	59,911.83	1,391,065	0.0076	0.0025
May	11	9,834.32	5,106.82	14,941.14	7,198.41	12,508.58	64,677.68	1,505,930	0.0099	0.0032
June	6	5,831.86	4,793.21	10,625.07	1,694.55	15,570.08	71,317.24	1,859,011	0.0057	0.0036
TOTALS	133	\$93,88	\$30,373.3	\$124,263.10	\$46,356.36	\$149,223.98	\$71,317.24	\$18,086,574	\$0.0069	\$0.0039

25 State Garage

Principal operating location:
1001 East 62 Avenue, Denver
(North Campus)
Manager: Sonny Otero
Telephone number: 287-2511

The State Garage is located adjacent to the Fleet Management offices at 1001 East 62 Avenue. Two technicians perform preventive maintenance, routine servicing, diagnosis and repair work and the State-mandated emissions inspection. During Fiscal Year 1988-1989, the State Garage performed over 450 emissions tests on State vehicles.

The State Garage enjoyed a 31 percent growth in revenue from FY 1987-1988 without any increase in personnel. Actual revenues increased from \$170,256 in Fiscal Year 1986-1987 to \$201,082 in Fiscal Year 1987-1988, to \$262,919 in Fiscal Year 1988-1989. Total per month chargeable hours average increased from 270 to 337. This is

an increase of 25 percent. Increased repair work from the Department of Institutions, the Quick Lube Service Center that was established at the State Motor Pool in downtown Denver; and the efficiency of the Garage technicians were responsible for the increase.

During the year, the Garage added about seventy-five items to its automated inventory system to allow for better control and to simplify reordering.

Work was completed on the ARTS (Automotive Repair Tracking System) computer program. This new program allows computerized preparation of work orders and invoices. Information is then transferred to our main data base without the need for additional data entry.

The State Garage has significantly increased its automotive diagnostic capabilities with the new Hamilton Computerized Engine Tester. This tester will automatically run through a test sequence and generate printed results in seconds.

STATE GARAGE PRICE COMPARISONS

	State Garage	Chesrown Chevrolet	Front Range Dodge	O'Meara Ford	Astro Automotive	Firestone
Flat labor rate per hour	\$24.00	\$45.00	\$35.00	\$35.10	\$39.50	\$38.00
Minor tune-up	\$34.20	\$115.00	\$85.00	\$40.00	\$48.30	\$44.95
Lube, oil filter	\$14.70	\$17.95	\$20.00	\$23.05	\$23.05	\$24.50
Front brakes	\$68.00	\$125.00	\$125.00	\$68.90	\$77.50	\$100.00

26 State Motor Pool

Principal operating location:
1555 Sherman Street, Denver
Manager: Freddie Trujillo
Telephone number: 866-3030

The State Motor Pool furnishes rental vehicles for short-term use by State government agencies. Thirty-seven vehicles are assigned to the Motor Pool. These vehicles traveled an average of 21,442 miles each for a total of 793,368 miles during the span of this report. Total miles increased by 9 percent over the previous fiscal year. Usage of the Motor Pool increased by 10 percent during the fiscal year.

MOTOR POOL ACTIVITY

	1988-1989 Monthly Average	1987-1988 Monthly Average
Number of vehicles	36.67	38.00
Work days	20.92	20.92
Vehicle days available	767.92	795.17
Vehicle days use	558.83	524.67
Efficiency	73%	66%
Repair days	33.25	26.50
Loss	4%	3%
Unscheduled days	175.83	243.00
Loss	23%	31%
Request denied	1.75	1.00
Cancellations	17.50	12.33
Miles driven	66,113.75	60,880.67
Total revenue	\$16,283.09	\$14,303.92
Revenue per mile	\$0.25	\$0.24

MOTOR POOL PRICE COMPARISONS

Name & Address		Daily Rate	Daily Waiver Rate			Daily Rate	Daily Waiver Rate
STATE MOTOR POOL 1555 Sherman (alley) 866-3030	Sedans	\$17.00	Included in	WESTERN CAR RENTAL 6100 Smith Road Cheryl/Owner 399-2608	Sedans	\$24.95	\$7.95
	Station W	23.00	daily rate		Station W	29.95	7.95
	Vans (15)	30.00			Vans (15)	59.95	10.00
	Mini Van	23.50			Mini Van	—	—
AVIS 1900 Broadway Ed Taylor/Manager 398-5340	Sedans	\$24.87	\$11.95	ADVANTAGE RENTAL 6100 Smith Road Karen, Sales Clerk 1-800-472-2277	Sedans	\$31.99	\$8.95
	Station W	29.00	12.95		Station W	—	—
	Vans (15)	—	—		Vans (15)	74.99	10.95
	Mini Van	—	—		Mini Van	49.99	10.95
HERTZ 2001 Welton Street Craig Kellem/Manager 355-2244	Sedans	\$21.96	\$11.95	DOLLAR RENTAL 1-800-421-6868	Sedans	\$22.95	\$8.99
	Station W	28.96	12.95		Station W	27.99	
	Vans (15)	—	—		Vans (12)	33.99	
	Mini Van	—	—		Mini Van	69.99	
BUDGET 2150 Broadway Robin Michaels Dir. of Marketing 399-0444	Sedans	\$32.98	\$9.99	ENTERPRISE 6030 Smith Road 320-1121	Sedans	\$24.95	\$8.95
	Station W	—	—		Station W	—	
	Vans (15)	—	—		Vans (12)	—	
	Mini Van	41.99	9.99		Mini Van	41.95	

27 Mail Services Section

Principal operating location:
1525 Sherman Street, Room 15, Denver
Manager: Helen Nopens
Telephone number: 866-4998

The Mail Services Section functions as a centralized mail processing operation whose services and expertise are available to all State agencies. The unit maintains experienced personnel, automated equipment, and the postage inventory necessary to perform all aspects of mail processing.

Currently, Mail Services furnishes folding, labeling, inserting, and presorting services. Section personnel are familiar with postal regulations and the detailed mailing requirements and specifications required for postal discount qualification and mail materials design. All services provided by the U.S. Postal Service (USPS) are available through Mail Services. These include "in house" application of all rates of postage, express (overnight) mail and accountable mail—registered and certified. UPS and other commercial freight shippers are utilized to handle parcels for delivery both in- and out-of-state at more economical rates than those available through USPS. Overnight and second-day delivery of both letters and packages are offered through UPS as well as USPS. Information on customs declarations and postage rates to foreign countries is also available through Mail Services' personnel.

The services noted above are supported by a variety of automated systems. Three

inserting machines capable of feeding from five stations into envelopes and sealing, operate at speeds averaging 2,500 pieces per hour. They are supplied by five folders, one of which produces 10,000 folded sheets each hour, and a labeling machine which applies preprinted labels to envelopes. Postage is applied by five mail metering machines. The production of this unit of Mail Services is over 600,000 pieces each month, with an additional 416,000 pieces routed to presort.

Mail Services Section oversees an intensive system for mail collection and distribution, designed to expedite the transfer of the correspondence necessary for the transaction of government business. The Dispatch Unit operates seven scheduled routes that serve 73 State agencies located in Jefferson, Adams, and Arapahoe counties. 3,045 stops per month are made at State offices.

State operations which are located within a six block radius of the Capitol are served by a network of walking messengers. Correspondence is sent and received by 125 locations in the Capitol Complex.

The Dispatch and Messenger system distribute an average of 4,800 pieces of interdepartmental mail each week, for a yearly total of 250,000 pieces. This mail is transferred directly between metro area State offices. Interdepartmental mail picked up in the morning is delivered to scheduled stops that afternoon. The cost of interdepartmental delivery for letters or small packages is 30 percent less than the price of a first-class letter and delivery is made without overnight routing through the Post Office. In addition to the cost and

MAIL SERVICES PERFORMANCE TABLE

Fiscal year 1988-1989 Mail Volume

pieces/packages				
TOTAL	OUTGOING	INCOMING	INTERDEPARTMENTAL MAIL	COMMERCIAL FREIGHT
18,800,000	12,400,000	6,200,000	250,000	15,000

delivery advantages of interdepartmental mail, Mail Services' collection and distribution system enhances the efficiency of State agencies in several ways. Correspondence generated by State offices will be transferred the same day to or from the Post Office, without diverting office resources to the pickup and delivery process. Finally, the frequency of stops each day facilitates the movement of State mail through the delivery stream more efficiently than the service available from USPS.

More than 6,200,000 pieces of mail were processed by the Mail Services sorting operation at 1375 Sherman, in the Capitol Annex. Mail directed to the Department of Revenue, the Department of Labor and Employment, the Department of Education, the State Compensation Insurance Authority, and the Department of Personnel is sorted and prepared according to specifications supplied by the agencies within these departments. Depending upon customer request, sorting may involve opening the envelopes, date stamping, and organizing the material so that it is ready to be processed by the agency. Very detailed mail preparation is currently conducted for the Department of Labor, State Compensation, and the Motor Vehicle Division. In April 1989, Mail Services and the Department of Revenue conducted an operation which processed 500,000 income tax documents received during the week of April 15. The intensive sorting process involved more than 100 people, and benefited the State through increased revenues derived from rapid deposit of funds. Taxpayers benefitted through rapid return of refunds. This operation is the result of cooperative effort between the Department of Revenue and the Division of Central Services.

By directing a large portion of State mail through a single channel, postal discounts for presorting by zip code, derived from large mail volumes, are made available to agencies that produce modest amounts of mail. During the period of this report, 4,760,000 pieces of mail qualified for the presort discount from the first-class rate of \$.04 per piece. The net savings to the State is \$153,000. Total net savings from the last four years amount to \$596,000.

There are indications that a postal rate increase will take effect in early 1991. The conversion of mailing lists maintained by State agencies to Zip+4 postal coding in order to obtain larger discounts is an attainable method of offsetting at least a part of this increase. Mail Services is actively exploring the conversion process to Zip+4 for large and small government mailers. The use of Zip+4 presents the opportunity to extend the discount for presorted mail to \$.045 per piece. If all mail which qualified for the presort discount this year had used Zip+4, an additional \$24,000 could have been saved on State postal expenditures.

28 State Print Shop

Principal operating location:
1525 Sherman Street,
Rooms 27 and 28, Denver
Manager: Bob O'Lear
Telephone number: 866-4467

The challenge in the State Print Shop this year has been to manage change. Change has occurred in many different forms. There have been changes in management, product, demand, and production.

The change in management occurred in January 1989, because of a request from the Joint Budget Committee. This request was to review the need, utilization, customer base, and volume of printing being produced by the print shops in the Department of Administration, State Department of Highways, Department of Military Affairs, Department of Health, and Department of Institutions. A Printing Review Committee (PRC) was formed with representation from all affected departments. In-depth reviews were completed by members of the PRC of these print shops. Also, a very extensive revised survey form was distributed to all other known print shops in the State. These included shops maintained by the

General Assembly, Department of Corrections, and numerous higher education campuses. The purpose of this survey was to obtain basic volume and cost information and to determine whether or not there were unused efficiencies to be gained in these print shops.

This study was completed in July 1989, but Bob O'Lear, the shop manager, was

State Print Shop Price Comparisons

Source	Price	Delivery (Days)
Central Services	\$174.80	2-3
Beacon Printing	No Bid	
Clements Printing	\$235.00	2-3
Pandick Press	\$300.00	3-4
Paragon Reproduction	\$289.00	2-3
Quality Press	\$198.00	2-3
Silers Printing	\$317.00	5
Speed Copy Service	\$239.29	2-3
Average Job: 14,500 copies on 8 1/2" x 11", 20-pound bond, white #4, printed		

assigned to the PRC on a full-time basis, and he was replaced by Paul Dickerson. Paul managed the shop for the rest of the fiscal year, and he also has had to manage change. Besides taking over the shop, Paul was limited because of a short-term disability and a medical retirement which gave the shop about seventeen FTE for the year.

The change in product, demand, and production are all tied together. There has been an increase in short run color work, which yields lower production because of the increased man-hours to produce this type of work. This is one reason why the yearly production level is down from the average but the dollar volume of sales is almost the same. Another change has been the movement of Central Stores from Central Services to Correctional Industries. This has resulted in a drop of 6,000,000 impressions. This type of work was mainly forms printing, which is lower cost work and does not have great impact on

the total sales in relationship to the lost volume. Stores has also lowered its inventory levels, and is ordering smaller amounts of product more often during the year. This results in lower production for the shop and higher costs for Central Stores.

29 Office Copier Management Program and Quick Copy Centers

Principal operating location:
225 East 16 Avenue, Denver
Manager: Paula Steelman
Telephone number: 894-2370

Copier Management Program

The Copier Program is responsible for ensuring all State agencies in the downtown Denver area have a copier and supplies available to meet the copying needs. Currently, 145 machines are in 43 different locations. These copiers produced 27.4 million copies last year, which is a 15 percent increase over the previous year. Revenues were \$977,885.

Although volume and revenues increased, cost per copy remained stable at an average of \$.035. The program also oversees management of 500 other machines statewide.

As the result of a request for proposals (RFP) sent to vendors in December, three-year contracts, worth over \$1 million in gross revenue per year, were issued to two manufacturers. State-wide, over five hundred copiers were exchanged for new equipment in less than thirty days. The magnitude of this move required considerable cooperation and coordination between Central Services, State agencies, and the contractors. The Copier Management Program assisted several

COPIER SERVICE PRICE COMPARISON

as of May 3, 1989

	Center Copy	Kinko's	Stop & Go	Central Services
Letter size	\$0.05	\$0.05	\$0.035	\$0.037
Legal size	\$0.07	\$0.05	\$0.045	\$0.037
Operator Assist			\$0.05	\$0.037

agencies in selecting appropriate copier services at the lowest prices. Several local governments using the State's negotiated contract, also requested the Division's assistance in selecting copiers that best fit their needs.

Quick Copy Centers

The five Quick Copy Centers in the metropolitan Denver area provide convenient and economical reprographic services, bridging the gap between office copiers and the State Print Shop. A fee of \$.024 per copy provides the most cost-effective way to reproduce seven or more originals, up to 4,000. Collating, stapling, and two-sided printing are furnished at no additional cost.

The centers produce copies of good quality in a time frame to fit the customer's needs. Jobs vary from while-you-wait, to same-day service, to whatever delivery date the customer requests. A recent survey shows customer satisfaction to be very favorable. Phone calls and letters from customers praising operators and/or our service also

attest to the high level of customer satisfaction.

Business increased 15 percent over last fiscal year. A monthly production record was established in September 1988, of 2,900,150 copies. Total volume for this year was 27,652,725 copies, with total revenues of \$731,729.

30 Design Center

Principal operating location:
1525 Sherman, Room 590, Denver
Manager: J.J. Jackson
Telephone number: 866-3874

The Design Center was established in order to make available to Division customers comprehensive graphic arts services. In the past these services almost always resulted in the creation of printed materials. As times change the Design Center tries to anticipate changes in customer needs by offering new quality services to government agencies.

One change the Design Center undertook was to offer computer graphic slides and overhead projection transparencies. Since the inception of this service three years ago, the volume has increased 95.6 percent—78 percent over Fiscal Year 1987-1988. This growth represents 6.5 percent

QUICK COPY PRICE COMPARISON

8 1/2" x 11"	Kwik Kopy	Kinko's	Sir Speedy	Cain	Central Services
Collate/Staple					
10 originals,	\$30.00	\$30.00	\$30.00	\$30.00	\$12.00
50 copies each	0.06	0.06	0.06	0.045	0.024
1 original,	\$19.75	\$17.40	\$22.79	\$14.50	\$12.00
500 copies each	0.039	0.034	0.045	0.029	0.024

of the total volume as compared to last year's 2.2 percent.

Another area of dramatic change has been in the production of visual aids such as posters, displays, exhibits, and signage. These services represent 15.4 percent of the Design Center's total volume.

During November 1988, the Design Center was awarded a bid from the Division of Purchasing to produce 20 brochures for the promotion of recreational boat safety. The award of the bid was based upon four evaluation categories:

1. Quality of illustrations, attractiveness of design/layout, originality of design, and a design theme that could be readily continued throughout the brochure series.
2. Cost.
3. Time needed for completion of project.
4. Experience of employees assigned to the project.

The Design Center was successful in all four categories. Five established private sector design firms also completed. The cost to the Division of Parks and Outdoor Recreation was \$10,500, while the high-end bid of the private sector was \$39,895.

Presently, the Design Center can receive manuscripts for typesetting that have been transmitted telephonically. In order to cut the cost of producing publications, word-processed disks may be submitted for direct typographic output. In Fiscal Year 1989-1990, we plan to expand on this enhancement to include interfacing with personal computers capable of desktop publishing. In this way we can continue to produce a quality product at the lowest possible cost.

31 State Microform Services

Principal operating location:
1001 East 62 Avenue, Denver
Manager: Jon Goldstein
Telephone number: 286-8521

State Microform Services, in fiscal year 1988-1989, had another banner year. Our revenue figure of \$279,274 was a record and demonstrated a 6 percent growth over the previous year. We also had a 7.5 percent growth in the number of clients we served and we completed a record 469 jobs for the year. For the third year in a row, we were able to generate a profit, this year's being a record high 4 percent.

State Microform Services had many accomplishments throughout the year. Of importance was the successful implementation of a new filming program using Computer Assisted Retrieval for the Public Utilities Commission (DORA). By utilizing this program, PUC has been able to realize a 50 percent reduction in the amount of office space being used for document storage and retrieval. Documents are filmed and returned to PUC files within two days. All in all, the program has been a huge success.

For the last three years, State Microform Services has participated in a training program for the developmentally disabled. This past year, in addition to training and hiring a developmental disabled person for our staff as a full-time employee, we have also trained six other individuals in micrographics. Without exception, each trainee has gone on to gainful employment in the private sector.

A very major accomplishment this year is that the Center was able to generate the revenue figures mentioned above *without* raising any of our prices. We also kept our staff level stable at eight FTE. Higher productivity, lower absenteeism, and the use of the training program, mentioned above contributed to revenue increases.

This coming year, we are again going to *hold the line* on price increases. The enclosed chart demonstrates our competitive edge as compared to the private sector.

The production chart that follows demonstrates that in many cases, we saw a marked increase from the previous year. Areas that do show a decline are the result of shifts in customer demand, i.e. customers wanted roll film rather than jackets. PUC moved to roll film, away from jackets, as a method of microfilm storage and retrieval.

During this past year Microform Services, with excellent cooperation from the Design Center, put together a very informative slide show detailing what customers need to know in choosing a method of document storage for their agencies. The show has been presented to a number of State agencies and political subdivisions and has generated additional work. The slide show is presented at no charge to any governmental official interested in finding out more about microfilm.

Outlook For Fiscal 1990

State Microform Services is beginning its second year of work on the very important Department of Health Birth Certificates Project. Utilizing developmentally disabled trainees, we will be filming over 1.5 million documents in the upcoming year. This will provide backup to Health's

on-line computer system, as well as save hundreds of square feet of valuable office space.

Other projects under way are the Fragile Newspaper Filming Project for the State Historical Society, as well as jobs from many of our valued "regular customers," such as Teacher Certification, Regulatory Agencies, PUC, and many, many more. We are also, as of February 1, 1990, going to take over a filming project of the Department of State. Heretofore, Secretary of State was primarily a film duplication customer. We welcome our new relationship, and we are sure that the project will proceed very smoothly.

New Planetary Cameras, Vesicular Fiche Duplicator

State Microform Services is always updating and improving equipment capabilities. Toward this end, we have purchased a new 16mm planetary camera. The camera will provide excellent resolution, along with multi-level blipping capability and numerical sequencing of the film. This acquisition ensures that our customers will receive the best quality filming available.

As part of our new agreement with Department of State, we will be obtaining a vesicular fiche duplicator. For a very low price, customers will be able to choose between diazo (negative) and vesicular (positive) microfilm reproduction.

Patty L. Cisneros, Supervisor of State Microform Services Center, was awarded Central Services' Best All-around Employee Award in March 1989! Patty is an excellent employee, and one of the finest people I have worked with. Thank you Patty, for all your great work in the years past, and those that are still ahead!

State Microform Services is ready for the challenge of a new decade. We are looking forward to the upcoming year, and those of the 1990s.

MICROFORM PRODUCTION CHART

Categories	1987-88	1988-89	Increase (Decrease)
Exposures	3,247,612	3,677,200	(429,588)
Card jacs	6,454	10,199	3,745
Jackets	46,066	39,176	(6,890)
Silver film (rolls)	1,351	1,670	319
Cartridges	480	931	451
Diazo rolls	4,052	3,774	(278)
Film processing (rolls)	2,784	3,120	336

MICROFORM PRICE COMPARISON CHART

Service	Central Services	Data Films	American Micro	Dakota Graphics
Document filming	\$0.031	\$0.04	\$0.035	\$0.04
Blueprint filming	\$0.025	\$0.45	\$0.5	\$0.27
Film Duplicating				
Diaz	\$0.08	\$0.14	\$0.14	\$0.14
Silver	\$0.15	\$0.18	\$0.15	\$0.16
Jackets	\$0.55	\$0.60	\$0.85	\$0.55

32 North Campus

"North Campus" is an accounting classification that reflects rental income and offsetting expenses from State-owned property located at 1001 East 62 Avenue, Denver. Central Services acts as the host organization to several tenant organizations. As of the end of the fiscal year the Departments of Revenue, and Labor and Employment maintained units at North Campus. Central Stores, Fleet Management Program, and State Microform Services Center are among the operations housed at the North Campus. The Division of Central Services assumed responsibility for the facility as of December 1, 1985. Responsibility for day-to-day management of North Campus during this reporting period rested with the manager of State Microform Services, Jon Goldstein. Two FTE maintenance employees are assigned.

33 Miscellaneous Services

A new accounting category, "Miscellaneous Services", was created during the term of this report. Miscellaneous Services combines the revenue generating operations of several mostly staff functions, all of which are reviewed as pro bono services with no thought given to full cost recovery. It includes the operations of the I.D. Program, State of Colorado Telephone Directory and the "Organization of State Government in Colorado" chart. Income and expense figures for each of the operations have been combined for all previous fiscal years covered by this report for purposes of clarity and comparison. Salaries are reflected in the expense figures for Fiscal Years 1985-1986, 1986-1987, and 1987-1988. Currently, all salaries associated with Miscellaneous Services are recorded as overhead expenses. All miscellaneous services operate out of Division headquarters. Income in the amount of \$154.00 is attributed to Miscellaneous Services because it can't be applied where earned.

I.D. Program

Operations generated 1,522 identification credentials of either the identification card or badge identification type. Price per credential is \$2.85; \$4,338 in total revenues were generated. Credentials for permanent employees expire two years after date of issue. During the year past, about four hundred I.D. credentials were created on site for members of the Departments of Social Services and Institutions.

Telephone Directory

In consideration of the State's grant of exclusive advertising sales rights, Central Services received 10,000 copies of the 1989 State of Colorado Telephone Directory. Additional cash revenues amounted to \$826.00.

The Directory is published for the State by Craftsman Publications, 3984 Doniphan Street, El Paso, Texas, in cooperation with the Computer Systems Division of the Department of Personnel.

The 1989 edition of **the State of Colorado Telephone Directory** marks the sixth year of directory publication by the Division of Central Services. This reference guide to state government receives continual enhancement, often resulting from customer input. In response to the Department's emphasis on customer service, the 1989 edition displays several changes to make the book more user-friendly. First, the organizational listings now appear in larger print. This change enables users to read this section more easily and to locate the section more rapidly. Second, the directory now carries a listing of FAX numbers in the general information section. This handy listing speeds facsimile transmissions throughout the State. Third, after consultation with the publisher, the vendor pages are now arranged as information pages. These pages are designed to provide vendors with the opportunity of providing crucial information—800 numbers, specific

products or services, new programs—to State employees and State agencies in a compact format.

Organization Chart

The "Organization of State Government in Colorado" chart graphically portrays the statutory structure of Colorado government organization at the State level. It is a public service project of Central Services. Income is generated through sales in an attempt to offset preparation and production costs to the extent possible. Current income is \$384.00.

APPENDIX

34 Major Equipment Inventory

Major equipment inventory information is published in this annual report pursuant to Colorado Revised Statute 24-30-1109(1)(c). It is intended to show the nature and scope of Central Services' productive capacity. Equipment reflected here is therefore listed without regard to its ownership status.

ADMINISTRATIVE CLERICAL SECTION

POLAROID ID3 MODEL 703 CAMERA
SHEET FEEDER SN115705250SF
MSP 15E 132-COLUMN PRINTER
MSP 15E 132-COLUMN PRINTER
CANON 100 FILTER RECORDER CAMERA
AMDEK EXTERNAL LASERDRIVE
IBM PROPRINTER XL
ASYNCR SERIAL INTERFACE
8K PRINTER BUFFER
IBM PS/2 MODEL 55SX-031
IBM PS/2 MODEL 50-031
IBM PS/2 5.25" EXT. DISK DRIVE
IBM PS/2 14" COLOR MONITOR

STATE PRINT SHOP

DS CP 404 11 PLATE MAKER
714 BAUMFOLDER SN83F029
DCS 260D CAMERA W/FLASH LAMP COPY B
BROWN PLATE MAKER
DENSITOMETER
SINK DEV TEMP CON BRN 30377/378
TABLE PRECISION LINE UP NU-ARC
NU-ARC MODEL RR41F
LIGHT INTRIGATOR
BOURG COLLATOR
#521000456 ST581001099
COLLATOR 1412 004327
P-23 PERFOR, SLITTER, SCORER, SN9800510
VELOBID PUNCH/BIND #323 SN325167
CHALLENGER PAPER CUTTER 26"
ELEC PUNCH 111PM SN1118845
BOS STITCHER
MODEL 323 VELO BIND PUNCH
BOURG STITCHER, FOLDER, COLLATOR
STANDARD BOURG TRIMMER
16" GBC ELECTRIC PUNCH
NYDREND AHL PERFORATOR SNJ-74-15-104
COLLATOR 1546002763 ST. FOLD ROTO 50
VELO BINDER MODEL 210
MULTI-FOLDER 3315
CHALLENGE CUTTER
2850 PRESS SORT FEED SN384737
PACK FEEDER 2850 OFFSET PRESS
13650 COLO HEAD FOR 360CD SN862694ACA

POWDER SPRAY SYS SN12850435
67 SORT/TOWERMODULES/INTERFACE
SOLNA OFFSET PRESS MODEL 125 #12207
DAVIDSON 702 PERFECTOR OFFSET PRESS
ROTARY SLITTER SN88676706
CARLSON REGISTER SYSTEM
360CD OFFSET PRESS #11484
AB DICK 360T
360T W/NUM ATTACHMENT SN13512
SYS 6W/ELEC CAM, OFFSET ONLISORT
CARLSON REGISTER SYSTEM
BOURG FOLDER SN551000755
BOURG TRIMMER SN200518
NUMBERING HEADS
1250 MULTILITH OFFSET PRESS SN383261
1250 MULTILITH OFFSET PRESS SN383263
1275 MULTILITH OFFSET PRESS
1250 MULTILITH OFFSET PRESS SN948176
PLATE PROCESSOR
A/T COMPUTER

DESIGN CENTER

CAL COMP COLOR MAST THERMAN PRINTER
QPM PHOTOMAKER SNSD628714
RC PROCESSOR 20 AMP SN11006
NEC SPINWRITER SN7710 PRINTER
TYPESETTER G1610 D/F W/STAND SN65001
GPM VIDEOSHOW 160 SN16002K46
ITEK G 1610 650011 DF PHOTOTYPE SYS
MDR 12110 MULTIDISK READER
KROY LETTERING MACHINE
HYDROLIC LIGHT DRAFT TABLE
THERMOFAX
6 FLAT FILES
THERMOFAX SN285126
3114 RC PROCESSOR W/DRYER

STATE MICROFORM SERVICES

42X LENS, PLATEN, MASK
3M CAMERA M 41906 SN304007
RELIANT 800 16MM ROTARY CAMERA
F 10 PROCESSOR
#9000054 MAGAZINE
22E READER 24X ROTATION
105MM SILVER FICHE DUPLICATOR
COPYBOARD
500 LM READER-PRINTER SNDR17112
DX 35MM PRINTER
EXTEC CAMERA
RECON KODAK MCG FILM UNIT SNN1634
MICRO FILE MACHINE SN15595
3M-3401 MICROFILM CAMERA
FILM READER MOBIL 1600
RECORDAK - R750
PROCESSOR/KODAK PRO STAR 11
CPU CONFG W/KEYBOARD & MONITOR
MICROFILM DUPL SN4CO365
42X LENS PLATEN MASK
DIAZO DUPLICATOR
INSPECTION TABLEEXTEK 3100 POSI DUPLICATOR
GAF 16/35 ROLLFILM DUPLICATOR MACHINE
MACBETH TD 500
2 JACKET READER FILLERS
MICROFILM CAMERA MRK-1

RCORDAK MRD 2 CAMERA
CANON 100 RECORDER CAMERA

QUICK COPY CENTERS

XEROX 9900 SN920051548
XEROX 9500 SN685-002882
XEROX 9500 SN685-002273
XEROX 9500 SNF4012393
KODAK 100 AF SN104-230
XEROX 9500 SN685021168

STATE MOTOR POOL

TIRE MACHINE
PRESSURIZED WASHER
10,000 GALLON GAS TANK # PUMP
PUNCH ELEC EMBOS MACHINE SNC01157
GASBOY AUTO FUEL SYSTEM
LNC AIR END LIFT

STATE GARAGE

LATHE AMMCO 4000 & 2400 BENCH
AIR COMPRESSOR
COMPUTER WHEEL
COMPUTER WHEEL BALANCER WB 230
1.6-TON CAP AIR OPER END LFT WALK
HOT WATER HIGH PRESSURE CLEANER
WHEEL ALIGN RACK W/JACKS 34018
ANALYZER ENGINE SUN 32761
EXHAUST ANALYZER HMLTON MDL#CVI
INFRA-RED EXHAUST GAS ANALYZER
AUTOMATIC TIRE CHANGER SN111-50-801
ELECTRIC DRILLS
ASSORTED SHOP MANUALS
15-TON HYDRAULIC LIFT
HYDRAULIC PRESS
HIGH PPESSURE CLEANER
12-DRAWER ROLL CABINET
20 ASST SCKT STS MET/STNDRD
TOOL BOX SNAP-ON
BOTTEM
FLEET MANAGEMENT PROGRAM
AT&T CPU #0109314 KEYBOARD SN1682932
6300 PC MICRO W/384 RAM SN0201206
AT&T CPU SN236261 KEYBOARD MONITOR
BILLING MODULE
PREVENTIVE MAINT MOD
PRINTER SHARING W/BUFFER SNMB0721
BACKUP HARD DRIVE FR SUNOL SYS
BILLING MODULE
PC, KEYBOARD MONITOR
PC, MONITOR KEYBOARD
MODI TO CUSTOMIZE SOFTWARE
CREDIT CARD MACHINE
MATH CO-PROCESSORAT&T CPU KEYBOARD COLOR
MONITOR
AT&T CPU KEYBOARD COLOR MONITOR
2 BILLING MODULES
BACKUP HARD DRIVE FOR SUNOL SYS
UTILIZATION MODULE
QUADLASER PRINTER MODEL LS 1100
IBM DMA MX 4
AT&T CPU KEYBOARD & MONITOR
PRINTER SHARING W/BUFFER SNMB0721
COMPUTER MONITOR KEYBOARD

BILLING MODULE
AT&T CPU KEYBOARD COLOR MONITOR
6300 PC MICRO W/512K RAM SN0120242
MATH CO-PROCESSOR
CREDIT CARD MACHINE
ELECTRO TEL PH SYS AMOR, 04, 06
COMPUTER MONITOR
6300 PC MICTO 2/384K RAM SN0201274
CREDIT CARD MACHINE
AT&T CPU KEYBOARD COLOR MONITOR
BILLING MODULE
2 EACH IBM DMA BOARDS 34/26 PIN AD
1 SUB-COMPACT
28 COMPACT PASSENGER SEDANS
578 MIDSIZE PASSENGER SEDANS
34 FULLSIZE PASSENGER SEDANS
260 PICKUP TRUCKS 1/2 AND 3/4 TON
122 PASSENGER VANS
81 CARGO VANS
7 HIGH CUBE VANS
1 BUS, 31 TO 50 PASSENGER
1 FLATBED TRUCK, 1 TON
LOCAL AREA NETWORK SYSTEM
IBM DMA BOARD 34/26 PIN AD
IBM DMA BOARD 34/26 PIN AD

MAIL SERVICES SECTION

METERING MACHINE PB 6100
SEALER MAIL MACHINE
PB 1860 FOLDER SN5165
714 FILDER SN 83J-143
FRIEDEN ELECTR SCALE SN871072006
PITNEY BOWES METER
PITNEY BOWES METER AND STACKER
6100 MAIL MACHINE 043521
ELECTRONIC SCALE MDL5890 SN7020
ELECTRONIC SCALE MDL5890 SN8151
METERING MACHINE 5655 SN4320
METERING MACHINE 5655 SN4322
6100 MAIL MACHINE SN043753
LIBRA ELECTRONIC POSTAGE SCALE 24 LBS
2 PCS/7 MINI-PACS/2PRNTRS/1SCALE
ELECTRONIC SCALE MDL5890 SN2874
ELECTRONIC SCALE MDL5890 SN7015
XEROX 763 LABELER SN28867
PB 1800 FOLDER SN32885
PB INSERTER MAX/PB 1861 FOLDER SN13331
PB ADDRESSOR PRINTER
PRINTER DI 3100 SN020641 W/MANUAL
AUTOMECHA LABELER/ACCUFASST 1
ABE PERFORATOR SN50044
CONVEYER BELT
SORT MODULE
METER HEAD MODULE RTPG-1 S0581
FOLDER MDL 18208 SN045070
FOLDER MDL 18208 SN045037

COLLECTIONS

PRINTER SN001367

35 Spending Authority

Central Services receives no appropriated funds. Instead it receives from the General Assembly "spending authority." That is, the Division is allowed by the General Assembly to spend a specified portion of the revenues it generates by charging users of its services the full cost of goods and services consumed.

The Long Bill of the Second Regular Session of the Fifty-Sixth General Assembly (House Bill 1356; fiscal year beginning July 1, 1988) is reproduced here in relevant part to indicate the Division's spending authority during the period of operations covered by this annual report. Supplemental spending authority, if any, is not included.

	ITEM & SUBTOTAL	TOTAL	GENERAL FUNDS	APPROPRIATION FROM CASH FUNDS	FEDERAL FUNDS
	\$	\$	\$	\$	\$
(2) CENTRAL SERVICES ^a					
(A) Administration Section					
Personal Services	406,344				
	(12.5 FTE)				
Operating Expenses	127,793				
Purchase of Services from Computer Center ³	396,344				
Indirect Cost Assessment	26,065				
	<u>956,546</u>			956,546 (T) _a /	
<u>a/</u> These funds shall be from user fees.					
(B) Print Shop and Graphics					
Personal Services	771,434				
	(29.1 FTE)				
Operating Expenses	598,739				
Indirect Cost Assessment	35,018				
	<u>1,405,191</u>			1,405,191 (T) _a /	
<u>a/</u> These funds shall be from user fees.					
(C) Copiers					
Personal Services	69,727				
	(2.0 FTE)				
Operating Expenses	697,703				
Indirect Cost Assessment	20,295				
	<u>787,725</u>			787,725 (T) _a /	
<u>a/</u> These funds shall be from user fees.					
(D) Microfilm					
Personal Services	160,738				
	(8.0 FTE)				
Operating Expenses	64,364				
Indirect Cost Assessment	6,765				
	<u>231,867</u>			231,867 (T) _a /	
<u>a/</u> These funds shall be from user fees.					
(E) Quick Copy Center					
Personal Services	149,919				
	(7.0 FTE)				
Operating Expenses	312,299				
Indirect Cost Assessment	12,137				
	<u>474,355</u>			474,355 (T) _a /	
<u>a/</u> These funds shall be from user fees.					
(F) Motor Pool/Garage/Fleet Management ⁵					
Personal Services	344,385				
	(14.5 FTE)				
Operating Expenses	1,461,878				
Indirect Cost Assessment	40,390				
	<u>1,846,653</u>			1,846,653 (T) _a /	
<u>a/</u> These funds shall be from user fees.					
(G) Mail Services					
Personal Services	1,052,487				
	(40.9 FTE)				
Operating Expenses	2,459,995				
Indirect Cost Assessment	42,181				
	<u>3,554,663</u>			3,554,663 (T) _a /	
<u>a/</u> These funds shall be from user fees.					
(H) North Campus Operations					
Personal Services	60,372				
	(2.0 FTE)				
Operating Expenses	16,832				
Utilities	37,135				
Indirect Cost Assessment	1,990				
	<u>116,329</u>			116,329 (T) _a /	
<u>a/</u> These funds shall be from user fees.					
(I) Central Collections					
Personal Services	529,002				
	(19.0 FTE)				
Operating Expenses	174,873				
Indirect Cost Assessment	28,056				
Collection of Debts Due to the State	22,961				
	<u>754,892</u>			754,892 (T) _a /	
<u>a/</u> These funds shall be from collection receipts.					

36 Personnel Inventory

This chart satisfies the requirements of Colorado Revised Statute 24-30-1109(1)(c) to report Central Services' personnel inventory.

NAME	CLASS TITLE
Theodore R. Abad	Clerical Supervisor II
Penny J. Adkins	Staff Assistant I
Lynn M. Arguello	Administrative Clerk
Thomas S. Bainton	Senior Administrative Clerk
Nanette K. Bales	Sr Micrographic Tech
Robert M. Barefield	Clerical Assistant C
Barbara Jean Baskin	Clerical Supervisor III
Nancy M. Behrens	Senior Administrative Clerk
Mary C. Bentzinger	Clerical Assistant C
Mary E. Bixenmann	Clerical Assistant B
Doris Jean Blain	Collections Repr B
Cheri L. Bryson	Senior Dupl Equipment Operator
Paul M. Bustos	Clerical Assistant A
Shirley J. Carr	Administrative Clerk
David J. Carrillo	Vehicle Driver
Brenda E. Carrillo	Senior Administrative Clerk
Maria E. Carter-Archuleta	Sr Collections Repr
Andrew J. Castro	Clerical Assistant A
Phyllis Chavez	Printer II
Joseph K. Christenson	Printer II
Rick D. Ciminelli	Graphic Designer A
Patty L. Cisneros	Supv, Micrographic Technician
Edward Cole	Micrographic Tech A
Joseph A. Dean	Clerical Assistant C
Shirley A. Delgado	Clerical Assistant C
Paul H. Dickerson	Printer IV
Diana C. Dixon	Printer II
Linda Dobrinich	Staff Assistant I
Carlos G. Dorrance, Sr.	Clerical Assistant B
Tonya D. Douglas	Dupl Equipment Operator A
Elizabeth Evans	Senior Dupl Equip Operator
Lisa B. Follett	Staff Assistant I
Glenn L. Fox, Jr.	Administrative Officer II
Carmen Freeman	Clerical Assistant C
Bonnie Freeman	Collections Repr B
Shiva G. Ghassemi-Hersini	Administrative Clerk
Robert E. Giovanni	Automotive Mechanic
Jon L. Goldstein	Clerical Supervisor III

NAME	CLASS TITLE
Helen B. Gonzales	Clerical Assistant A
Lucy B. Gonzales	Clerical Assistant C
Irene E. Gordy	Clerical Supervisor III
Forrest Grawn	Sr Collections Repr
Albert V. Gunderson	Printer II
Billie R. Halcy	Clerical Assistant C
Deborah N. Handerhan	Senior Typesetting Equip Opr
Lila May Hann	Printer II
John M. Helm	Clerical Assistant B
Sherryl M. Henrikson	Clerical Assistant B
Theodore C. Hill	Clerical Assistant C
Lewis G. Howard	Collections Repr B
James L. Jackson, Jr.	Design/Art Director
Paul C. Jensen	Program Administrator I
Shirley R. Jimenez	Administrative Clerk
Stephen L. Kaiser	Vehicle Driver
Eleanor M. Kellems	Printer IV
David K. Kittredge	Information Equip Spec B
Michael H. Lafferty	Administrative Officer II
Marcella G. Lewis	Sr Data Entry Operator
Susan Lozoya	Clerical Assistant B
Henry S. Maestas	Printer II
Ouida Yvonne Magee	Collections Repr B
Lois Maxwell	Bindery Equipment Opr B
Eugene McClanahan	Vehicle Driver
Hanh T. Nguyen	Printer II
Helen Nopens	Administrative Officer II
Robert L. O'Leary	Printing Plant Supervisor II
Orlando A. Otero, Jr.	Automotive & Equip Mechanic
Dennis L. Pearl	Collections Repr B
Erlinda Perez	Senior Administrative Clerk
Michael St. Peter	Graphic Designer C
Germaine M. Plunkert	Senior Secretary
Charleston Wimbs	Vehicle Driver
Linda J. Yost	Typesetting Equip Opr B
Gerry L. Zejda	Clerical Assistant C
Rosalie Quintana	Staff Assistant I

NAME	CLASS.TITLE
Valerie F. Rash	Micrographic Tech A
Barbara A. Ray	Micrographic Technician B
Sheryl A. Recknor	Vehicle Driver
Theodore A. Renville	Micrographic Tech B
Scott C. Renville	Information Equip Opr C
Kay M. Richards	Administrative Clerk
Gloria M. Rodriguez	Clerical Assistant C
Jessie L. Rodriguez	Sr Administrative Clerk
Karen J. Romero	Bindery Equip Operator B
Randy Romero	Vehicle Driver
Robert J. Romero	Printer III
Rhonda Sue Roybal	Senior Administrative Clerk
Lawrence Ryan	Clerical Supervisor I
James E. Schrambeck	Senior Maintenance Mechanic
Richard W. Schroeder	Collections Repr B
Robert M. Seiler, Jr.	Printer II
Dwayne W. Senske	Sr Collections Repr
Cecil B. Sharp	Vehicle Driver
Susan Shook	Administrative Clerk
Denise A. Sisneros	Senior Administrative Clerk
Steven M. Slane	Graphic Designer B
Sonia Soltanovich	Collections Repr A
Nicoll E. Stapleton	Clerical Assistant B
Paula A. Steelman	Administrative Officer II
Paul R. Stempien	Administrative Officer II
Cecille A. Sutton	Micrographic Tech B
Albert Tanguma	Printer III
Gilbert Thomas III	Clerical Supervisor III
Donald A. Thordsen, Jr.	Automotive Service Worker
Victoria Trujillo	Senior Administrative Clerk
Freddie M. Trujillo	Clerical Supervisor I
Ernie J. Trujillo	Senior Administrative Clerk
James R. Twark	Administrative Officer II
John E. Whitehurst	Prin. Bindery Equip Opr
Leta Wilkerson	Senior Dupl Equip Operator
Marc Wilkerson	Printer III
Stephen J. Wilkerson	Senior Dupl Equipment Operator
Norman B. Wilson	Administrative Officer I-B

Executive Summary

In December of 1988 the JBC directed the Department of Administration (DOA) to follow up on a printing study performed in June of 1988 with an in-depth review. In addition, the JBC requested that DOA review all state print shops and to consider whether or not privatization of some or all printing was an option.

The major findings of this study are as follows:

1. Many of the shops were underutilized, e.g. Highways, State Hospital, Ridge Home.
2. Personnel in some shops are overclassified, e.g. Higher Education shops.
3. The Health Department Print Shop is overloaded with work, and this is having an impact on turnaround times and the volume of work on convenience copiers.
4. There is a large disparity among shops in overall expertise, equipment, data, etc.
5. Some of the shops have unusually high costs per pressman, e.g. State Hospital, Ridge Home, Mesa College.
6. Most major corporations and all states have in-house printing functions.

The major recommendations of this study are as follows:

1. The print shop at Ridge Home should be closed, and the print shop at the State Hospital should reduce staff and remove excess equipment.
2. Print shop personnel in several shops should be reviewed for possible reclassification to lower positions, especially in the Higher Education area.
3. The Health Department reproduction function should be restructured to focus on the quick turnaround of lower volume jobs.
4. Privatization of printing does not appear to be an option in most cases. Eighty-plus percent is already privatized. The only work performed in-house is security-type and quick turnaround jobs.
5. All agencies need to standardize on a method to capture accurate and complete costs.

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